GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5040
ANSWERED ON:16.12.2016
NABARD Loan to Farmers
George Shri (Adv.) Joice;Gopal Dr. K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has permitted the National Bank for Agriculture and Rural Development (NABARD) to disburse Rs. 21,000 crore to help cash-starved farmers;

(b) if so, the details thereof;

(c) whether the money will be disbursed by NABARD to District Central Cooperative Banks (DCCBs) to pass on funds to the primary agriculture cooperatives; and

(d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): Government has set up a fund namely Short Term Cooperative Rural Credit (Refinance) Fund in National Bank for Agriculture & Rural Development (NABARD) for providing concessional short term refinance to Cooperative Banks. The said fund is made available to NABARD from out of the shortfall in priority sector lending targets by commercial banks. An amount of Rs.45,000 crore has been allocated for Short Term Cooperative Rural Credit (Refinance) Fund during 2016-17. NABARD has reported that out of the allocation for the current financial year, an amount of Rs. 24,000 crore has already been disbursed by NABARD till 30 September 2016.

NABARD has further reported that it is authorized to disburse the balance loan of Rs. 21,000.00 crore in the form of concessional refinance to State Cooperative Banks on behalf of District Central Cooperative Banks (DCCBs) in order to enable them to meet the crop loan requirements of farmers.